

Subpart H—[Reserved]

Subpart I—Penalties

- 560.901 Failure to file agreements.
 560.902 Failure to file reports.
 560.903 Falsification of reports.

Subpart J—Paperwork Reduction

- 560.991 OMB control numbers assigned pursuant to the Paperwork Reduction Act.

AUTHORITY: 5 U.S.C. 553; 31 U.S.C. 9701; 46 U.S.C. app. 814, 817(a), 820, 821, 833a and 841a.

SOURCE: 52 FR 43909, Nov. 17, 1987, unless otherwise noted.

Subpart A—General Provisions

§ 560.101 Authority.

The rules in this part are issued pursuant to the authority of section 4 of the Administrative Procedure Act, 5 U.S.C. 553, and sections 15, 18a, 21, 22, 35, and 43 of the Shipping Act, 1916 (the Act), 46 U.S.C. app. 814, 817(a), 820, 821, 833a, and 841a.

§ 560.102 Purpose.

(a) This part implements those provisions of the Act which govern agreements between common carriers by water in interstate commerce or other persons subject to the Act.

(b) This part also establishes procedures for:

(1) Filing agreement approval requests pursuant to section 15 of the Act, including supporting statements;

(2) Filing comments and protests to such agreements and responses; and

(3) The disposition of agreement approval requests.

§ 560.103 Policies.

(a) It is the responsibility of the Commission to disapprove, cancel, or modify, by order, after notice and hearing, any agreement, or modification or cancellation thereof, whether or not previously approved by it, that it finds to be unjustly discriminatory or unfair as between carriers, shippers, exporters, importers, or ports, or between exporters from the United States and their foreign competitors; to operate to the detriment of the commerce of the United States; to be contrary to the public interest; or to be in violation of the Act, and to approve all other agree-

ments, modifications, or cancellations. This part is intended to establish procedures for the orderly and expeditious review of agreements in accordance with these statutory requirements.

(b) Section 35 of the Act provides that the Commission may exempt classes of agreements from any requirement of the Act or this part where it finds that such exemption will not substantially impair effective regulation by the Commission, be unjustly discriminatory, or be detrimental to commerce. In order to minimize delay in implementation of routine agreements and to avoid the private and public cost of unnecessary regulation, the Commission is exempting certain classes of agreements from the filing and approval requirements of the Act and this part.

(c) In order to discharge the responsibilities of the Act the Commission requires sufficient time to analyze and consider every agreement, modification, and cancellation to determine whether or not it is lawful. Therefore, the Commission is establishing procedures, and form and content requirements for agreements, supporting statements, comments and protests, and responses. Parties to agreements are solely responsible for the timely filing of amendments to extend agreements containing termination dates.

(d) It is the responsibility of the Commission to insure that parties to agreements approved under section 15 of the Act are at all times complying with the requirements of that Act. In order to discharge properly this responsibility, the Commission must be fully apprised of the manner in which operations are being and will be carried out and shall require that meaningful reports on such activities be provided to the Commission.

(e) Section 15 of the Act provides that no conference agreement shall be approved, nor shall continued approval be permitted for any agreement, which fails to provide reasonable and equal terms and conditions for admission and readmission to conference membership of other qualified carriers in the trade, or fails to provide that any member may withdraw from membership upon reasonable notice without penalty for